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## FISCAL IMPACT REPORT

SPONSOR: Park DATE TYPED: 3/15/03 HB 38/aSPAC

SHORT TITLE: Increase State Minimum Wage SB \_\_\_\_\_

ANALYST: Collard

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
		See Narrative	See Narrative		

(Parenthesis ( ) Indicate Expenditure Decreases)

### **SOURCES OF INFORMATION**

House Bill 38

#### Responses Received From

Economic Development Department  
New Mexico Labor Department

### **SUMMARY**

#### Synopsis of SPAC Amendments

The Senate Public Affairs Committee amendments restore the \$2.125 minimum wage amount paid to hourly employees who receive more than \$30.00 per month in tips and strike the \$2.575 in the bill.

#### Synopsis of Original Bill

House Bill 38 amends Section 51-4-22 NMSA 1978 to increase the New Mexico state minimum wage, which is currently \$4.25 per hour to \$5.15 per hour to equal the federal minimum wage. For workers who customarily receive more than \$30 per month in tips, the minimum wage is increased from \$2.125 per hour to \$2.575 per hour.

Significant Issues

**FISCAL IMPLICATIONS**

The Economic Development Department indicates the fiscal implication falls on the businesses owners in the state. They would be required to raise wages from \$4.25 to \$5.15 per hour.

**OTHER SUBSTANTIVE ISSUES**

The Economic Development Department states the business owner will carry the financial burden to implement the new wage levels. This bill is important for the welfare of the citizens of the state to raise the earnings per capita level consistent with the national levels.

KBC/yr